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PROJECT NO. 51840

RULEMAKING TO ESTABLISH ELECTRIC WEATHERIZATION STANDARDS	**§ § §**	**PUBLIC UTILITY COMMISSION OF TEXAS**

COMMENTS FROM ENEL NORTH AMERICA, INC.

Enel North America, Inc. (Enel) appreciates the opportunity to provide feedback in the Public Utility Commission of Texas rulemaking on weatherization standards.

Executive Summary

- Enel requests more detail about the assumptions to be used in ERCOT's weather study.
- Enel requests clarity on the definition of "Applicable Rated Capability."
- Enel again emphasizes that any new weatherization requirements should be prospective, effective and commercially available.
- The tiers of resources should have different compliance requirements.
- Enel uses multiple, robust data-sets to develop meaningful statistics on extreme weather events.
- Enel cannot comment on cost recovery requirements for weatherization without detailed requirements.

Weather Study

Enel requests that the PUCT provide more clarity and opportunities for feedback on the "weather event scenarios" that will be included in the ERCOT study. For example, the proposed rule lists a variety of weather conditions to consider, but does not offer guidance on weather events that are a combination of circumstances. It would be challenging to create a single metric that captured the confluence of several extreme weather scenarios, such as what was experienced

during Winter Storm Uri in February 2021. Additionally, Enel would like clarity on the timeframe of historic data that will be used to develop the weather study, and how that data and trends will be extrapolated to develop a forward-looking view.

Implementation of weather reliability standards for generation entity

Absent further guidance on the assumptions and results of the weather study, it is difficult to comment on the requirements that should be implemented.

Enel again urges the PUCT and ERCOT to adopt new weather requirements prospectively on new plants. It is also important that any new requirements adopted by the Commission are effective and commercially available. From the perspective of meeting requirements that the Commission adopts, those metrics and requirements should be consistent over time. Developers will invest in technologies to meet the requirements specified by the PUCT. If those requirements change over time, developers could bear significant costs that can change the economics of the project.

Applicable Rated Capability

In the Discussion Draft, the Commission proposes to require a generation resource to be prepared to "provide service at the resource's applicable rated capability as defined by ERCOT". There is no definition of "Applicable Rated Capability" in ERCOT's Protocols. What appears to be the most analogous concept is the seasonal peak average capacity that ERCOT calculates for each resource type for developing its Capacity, Demand and Reserves (CDR) Report. (See Protocol § 3.2.6.2 et seq.) If this is the Commission's intent, then a definition for Applicable Rated Capacity should be tied to the CDR. If, however, the Commission intends an alternate definition, the Commission should clearly define what is meant by this phrase.

Resource Tiers and Requirements

The three tiers of resource standards established by the PUCT provide different requirements, and rewards for different levels of weatherization. Enel supports different levels of requirements. However, these different levels should also come with different burdens in terms of reporting requirements and re-evaluation periods. At the baseline level (weatherization up to the 95th percentile) self-certification or Original Equipment Manufacturer certification of compliance with weatherization standards is sufficient documentation. Providing this documentation to ERCOT would adequately fulfill inspection requirements. At levels beyond the 95th percentile, it is appropriate to require certification by third party engineers.

Pursuant to the Discussion Draft, ERCOT will prepare a weather study every five years, with a potential for interim updates and changes. The rule does not provide any timeline by which compliance with revised probabilities must be achieved, nor is there any standard as to the reasonableness of the potential modifications to a generation resource that might be required to fully comply with at least the 95th percentile of each of the extreme weather scenarios. Given the uncertainty inherent in the Commission's proposed standard, it is critical that the Commission include a requirement that there be commercially available and effective technologies to address every element of a 95th percentile scenario. For example, establishing a scenario that could require de-icing equipment for wind turbines, or the ability to rack to 90 degrees for solar panels would be unreasonable since there are not commercially available, effective technologies to provide either of these services. This is a point that was previously made by many developers, manufacturers, and trade associations that are familiar with these technologies. As such, a requirement of this nature should not be in place.

Enel currently makes every effort to design, procure, and construct projects at industry standards, or above, considering the weather conditions in which they will operate. In its first filing

in this project, Enel detailed the measures it takes with wind generation, solar generation, battery energy storage systems, and substations.

Response to Questions

1. What is the availability of statistically reliable weather information from, e.g. the American Society of Heating, Refrigeration and Air Conditioning Engineers; National Weather Service; or other sources for the ERCOT power region? Please share the source of that information.

   Enel uses multiple sources of long-term, reliable climate datasets for evaluation of extreme weather conditions in ERCOT and elsewhere. The ASOS (Automated Surface Operating Systems) database available through the National Weather Service and operated in conjunction with the Federal Aviation Administration and the Department of Defense includes weather measurements back to the 1940's at many major airports in Texas. In addition, several quality-controlled multi-decade climate hindcast datasets are available with gridded data nodes worldwide. This includes the Modern-Era Retrospective analysis for Research and Applications, Version 2 (MERRA-2) dataset from The National Aeronautics and Space Administration. This dataset uses satellite data recorded from 1980 and onwards to provide near-real-time climate information. The ERA5 dataset from The European Centre for Medium-Range Weather Forecasts uses data dating back to 1950 to provide hourly metrological information. These datasets are of sufficient quality and duration to derive meaningful statistics on extreme weather events.

2. Do existing market-based mechanisms provide sufficient opportunity for cost recovery to meet the weather reliability standards proposed in the discussion draft? If not, what cost recovery mechanisms should be included in the proposed rule?

The weather reliability standards proposed in the discussion draft do not offer sufficient detail about specific requirements. Without that information, Enel cannot comment on whether current cost recovery is sufficient, or if a new cost recovery mechanism should be included. Enel looks forward to continuing to work with the PUCT and ERCOT to identify specific reliability standards and the necessary cost recovery mechanisms.

Respectfully submitted,

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